

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PARCEL SELECT CONTRACT 37 (MC2020-84)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2020-83

**USPS NOTICE OF AMENDMENT TO
PARCEL SELECT CONTRACT 37, FILED UNDER SEAL**
(December 9, 2021)

The Postal Service hereby provides notice that the terms of Parcel Select Contract 37, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Parcel Select Contract 37 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective three business days following the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Sean C. Robinson

475 L'Enfant Plaza, SW
Washington, D.C. 20260-1137
(202) 268-8405
Sean.C.Robinson@usps.gov
December 9, 2021

ATTACHMENT A

REDACTED AMENDMENT TO PARCEL SELECT CONTRACT 37

AMENDMENT #3
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING
PARCEL SELECT

WHEREAS, the United States Postal Service (the “Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract, Parcel Select Contract 37/Docket No. CP2020-83 regarding Parcel Select, on December 6, 2019.

WHEREAS, the Parties desire to amend the terms in Sections I.B, I.C, I.E.2 through I.E.5, Table C, I.F, I.L and IV; add Tables D.1 through D.4; and to remove Section I.H and Table E of the Contract.

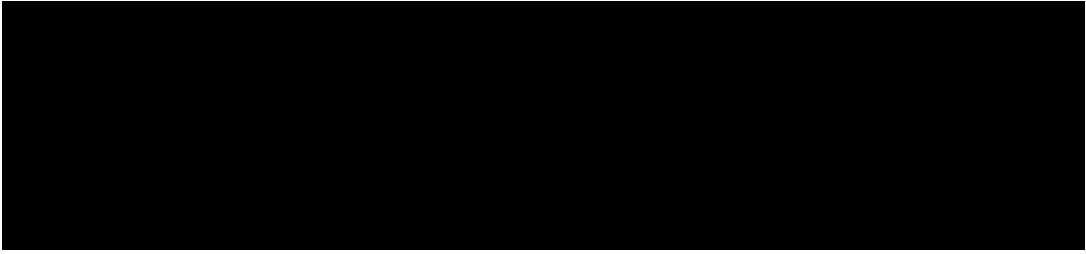
NOW, THEREFORE, the Parties agree that the Contract is hereby amended as detailed below. The existing Contract remains unchanged in all other respects. This Amendment shall become effective three (3) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.B, I.C, I.E.2 through I.E.5, Table C, I.F, I.L and IV; add Tables D.1 through D.4; and to remove Section I.H and Table E, as follows.]

I. Terms

- B. This Contract applies to Customer’s outbound packages, excluding packages originating from and/or addressed to ZIP Codes contained in Table A below (collectively “Contract Packages”), as follows:

1. Parcel Select Destination Delivery Unit (“DDU”) pieces, excluding Oversized rated packages, that are no greater than [REDACTED], and are not addressed to any ZIP Codes in Attachment A (“[REDACTED]”);
2. Parcel Select DSCF 5-Digit pieces, excluding Oversized rated packages, that are no greater than [REDACTED], and are not addressed to any ZIP Codes in Attachment A (“[REDACTED]”);
3. Parcel Select Lightweight 5-Digit DSCF packages that do not exceed [REDACTED], and are not addressed to any ZIP Codes in Attachment A (“[REDACTED]”); and
4. Parcel Select Lightweight Destination Delivery Unit (“DDU”) packages that do not exceed [REDACTED], and are not addressed to any ZIP Codes in Attachment A (“[REDACTED]”)



This Contract only applies to Customer's Parcel Select pound-weighted non-Contract Packages and Customer's non Contract Parcel Select Lightweight Packages to the extent that they may be eligible under Section I.I for certain Premium Services.

The ZIP Codes in Attachment A may be modified by the Postal Service.

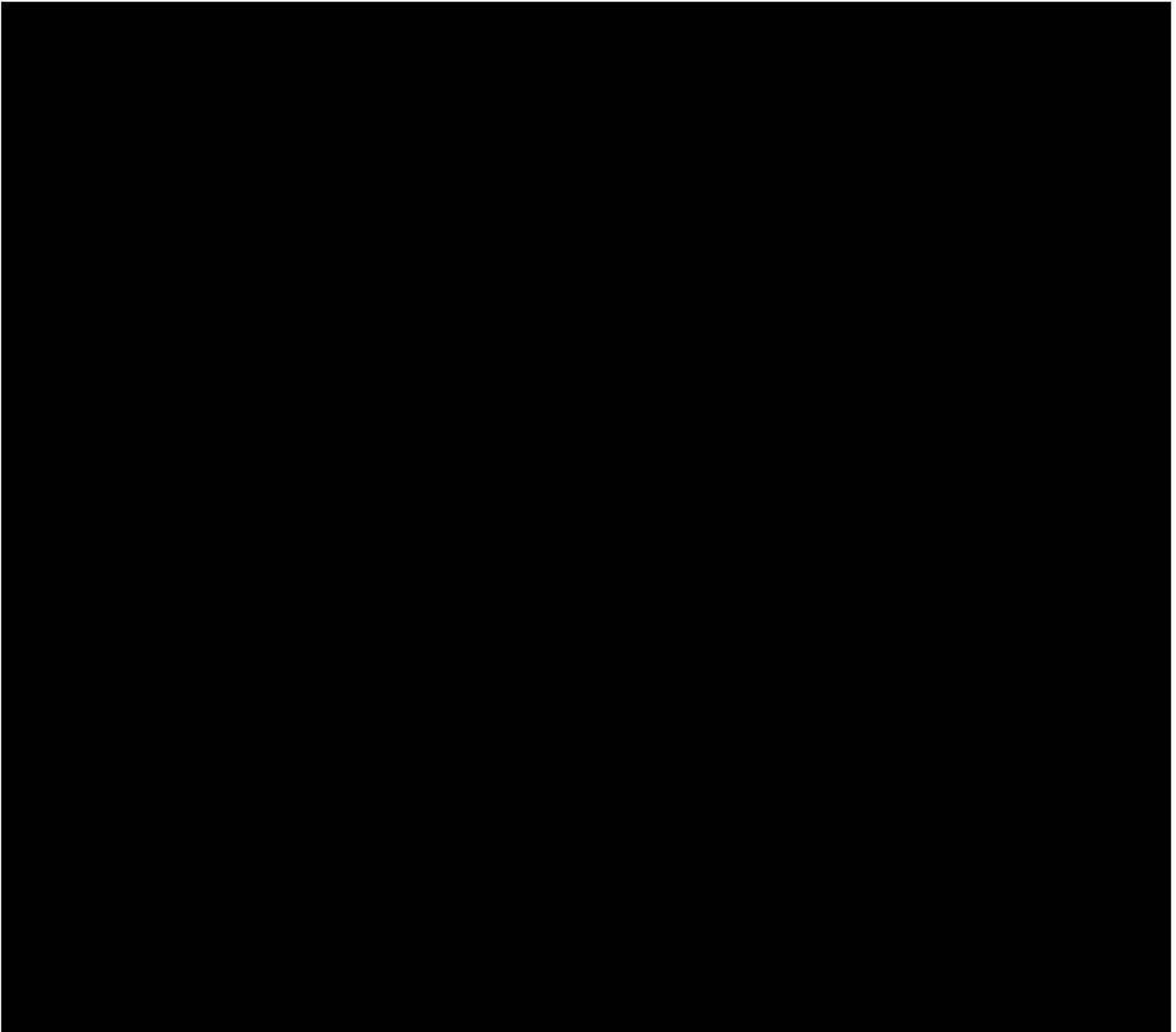
The Parties agree that if any of the price categories within Parcel Select are amended or removed from the Mail Classification Schedule, the services provided under this Contract will remain in full force and effect throughout the Contract term.

- C. Customer will manifest Contract Packages under a separate account as specifies by the Postal Service, using the Electronic Verification System ("eVS"), or successor eVS system. Current specifications can be found in USPS Publication 205, *eVS Business and Technical Guide*. Only Contract Packages, as defined in Section I.B, and Customer's other Parcel Select and Parcel Select Lightweight packages ("Total Packages"), shipped from authorized permit numbers shall count toward the volume tier requirements in Table C below.

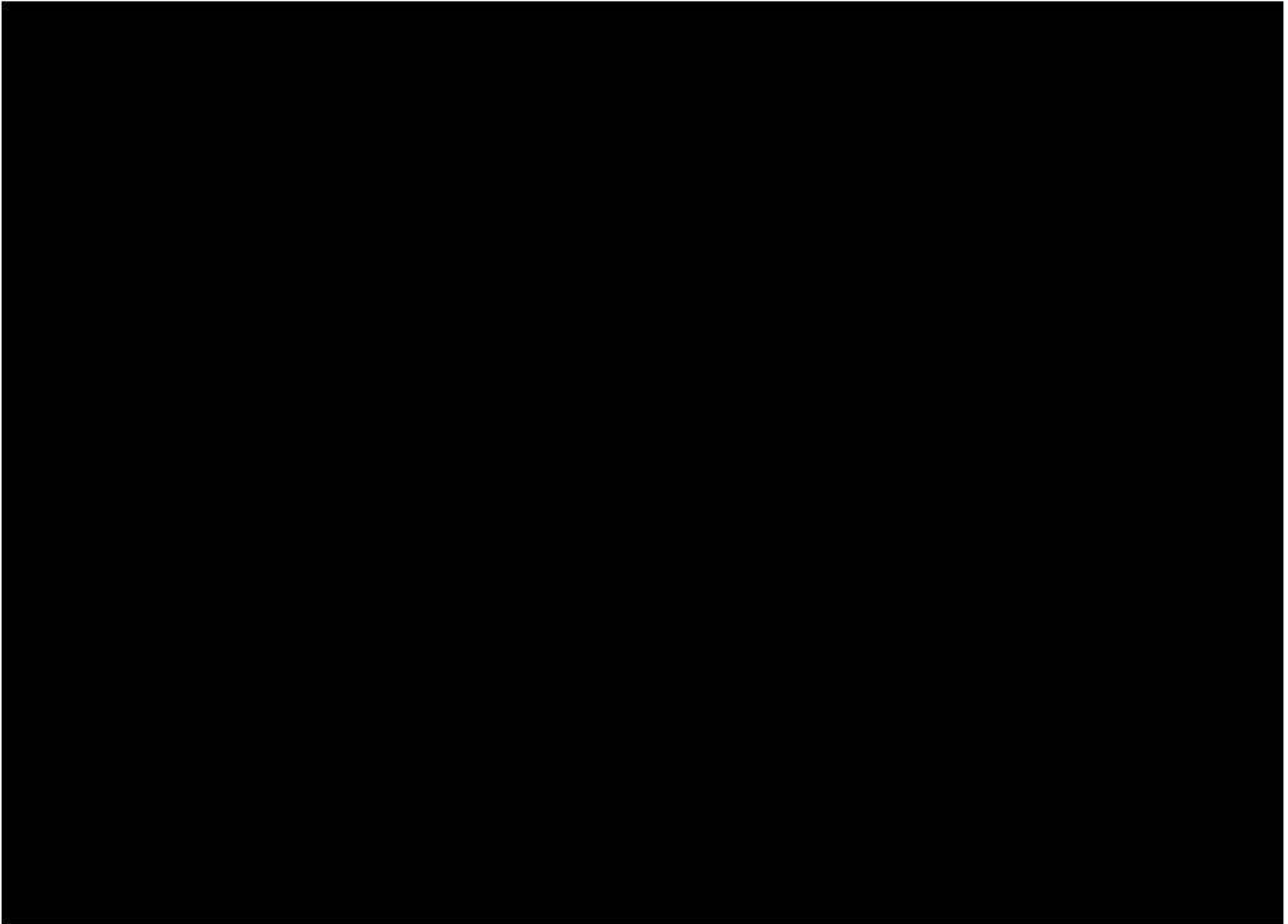
E. Price Calculation

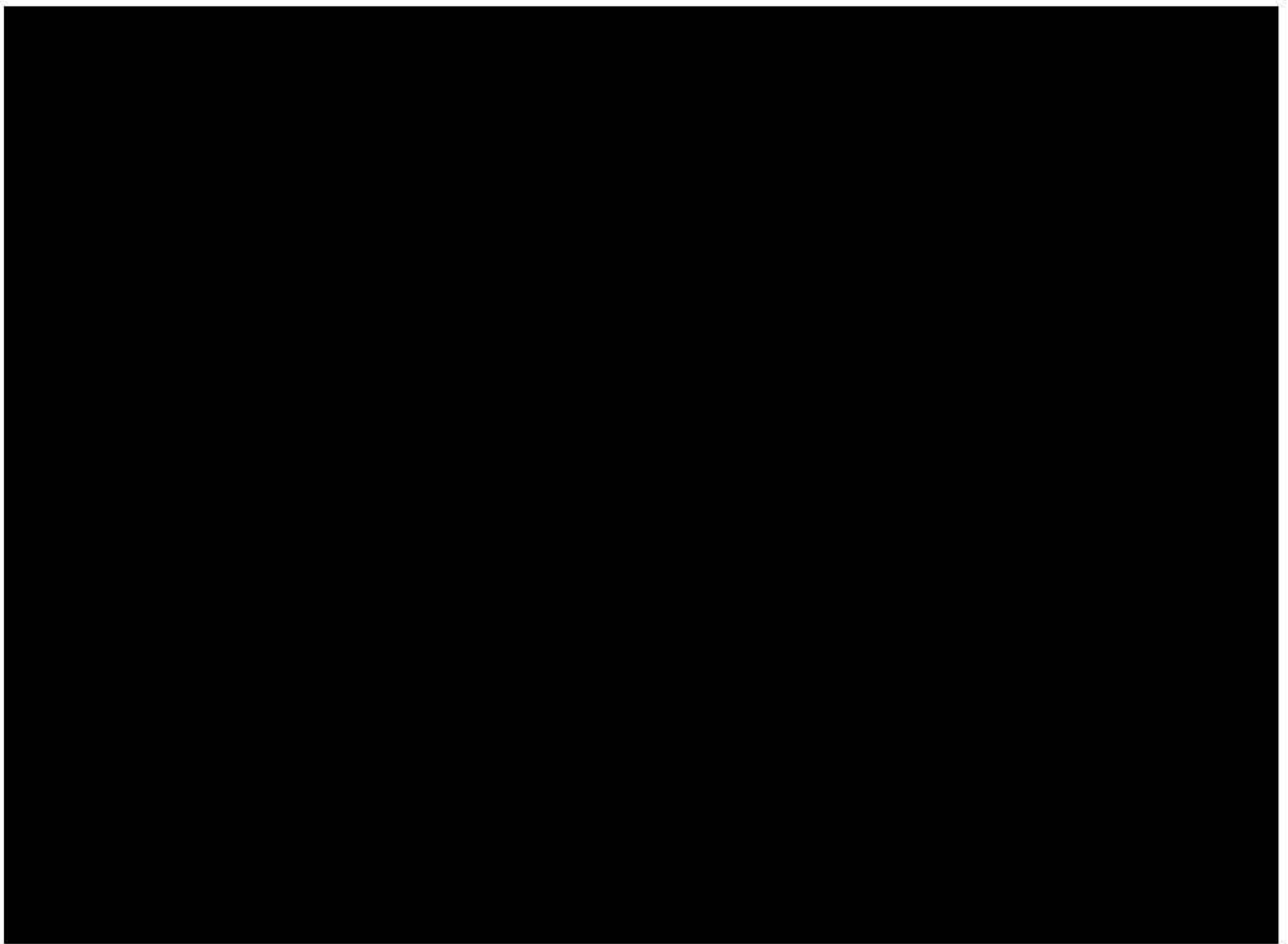
1. [Unchanged.]
2. From the Effective Date of this Amendment until December 31, 2021, Customer will pay Tier 3 prices for Contract Packages pursuant to Tables D and D.3 below, respectively. Tiered pricing in subsequent Contract Quarters will be determined by the quantity of Total Packages shipped in the Contract Quarter immediately preceding the next Contract Quarter.
3. The Postal Service will monitor Customer's volume of Total Packages, and within thirty (30) calendar days after the start of each Contract Quarter, will notify Customer of the applicable tier for that Contract Quarter based on Table C, with corresponding pricing found in Tables D and D.1 through D.4 below. Tier price changes will be effective within thirty (30) calendar days after the start of each Contract Quarter. Contract Package pricing will be calculated by the Postal Service and rounded up to the nearest whole cent.
4. Tier threshold. As outlined in Table C below, the following quarterly volumes must be met in order to achieve the applicable Contract Package pricing in Tables D and D.1 through D.4.

5. If the volume in any Contract Quarter, throughout the term of this Contract, falls below the minimum quarterly volume set for Tier 1 pricing, the Postal Service in its sole discretion has the right to revert Customer to applicable prevailing published Parcel Select and Parcel Select Lightweight prices for Customer's Contract Packages in the subsequent Contract Quarter.

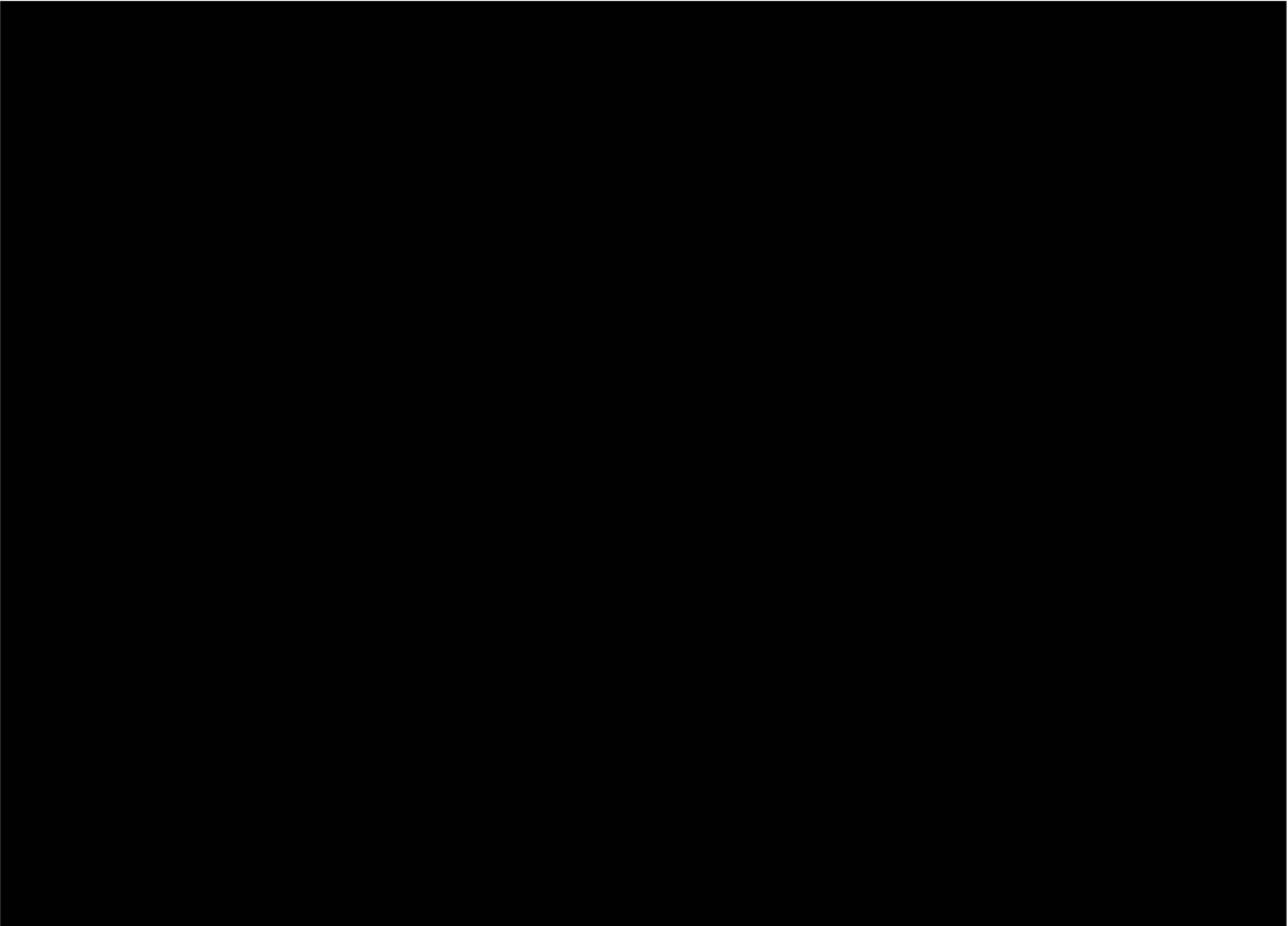


Oversized Rate: Regardless of weight, any parcel measuring more than [REDACTED], but not more than [REDACTED] in combined length and girth, must pay the prevailing published oversized price.









F. Annual Price Adjustment

1. For subsequent years of the Contract, beginning on the first anniversary of the Contract's Effective Date, Parcel Select Contract Package prices will be the previous year's prices, plus the most recent (as of the anniversary date) overall percentage increase in prices of general applicability, for the Parcel Select non-Lightweight price categories, as calculated by the Postal Service.
2. If the Postal Service maintains or decreases published rates of general applicability for Parcel Select, there shall be no change to Parcel Select Contract Package pricing for that Contract Year. Contract Package prices for subsequent Contract Years will be calculated by the Postal Service and rounded up to the nearest whole cent.
3. Throughout the remaining term of the Contract, including all approved Contract extension periods, Customer will pay prevailing published Parcel Select Lightweight prices, less the applicable discounts found in Tables D.1 through D.4

H. [Deleted in its entirety, along with Table E.]

- L. Surcharges, Additional Fees and Time-Limited Price Changes. To the extent the Postal Service promulgates a surcharge, additional fee, or time-limited price change, applicable to the products defined and referenced in Term I.B, during the term of this Contract, such surcharge, fee, or time-limited price change will be applied to the then

applicable prices for those products under this Contract, subject to the same terms as such surcharge or fee is applied to the prices of general applicability for those products, respectively, as calculated by the Postal Service. The surcharge, fee, or time-limited price change shall not be considered the “most recent price change” for the purposes of the Annual Adjustment provision in Section I.F. The Postal Service reserves the right to forego an increase pursuant to this section, or increase by a lesser amount (but no less than zero), at its sole discretion.

IV. Appeals

Customer may appeal a Postal Service decision regarding the calculation of prices, the amount of postage paid, or other implementation or operational issues under this Contract by submitting a written appeal via email, along with any and all supporting documentation, within thirty (30) calendar days of receipt of notification of the determination giving rise to the appeal to: [REDACTED]. The appeal is forwarded to the Pricing and Classification Service Center (PCSC). The PCSC manager issues the final agency decision. Any decision that is not appealed as prescribed becomes the final agency decision.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed as of the later date below:

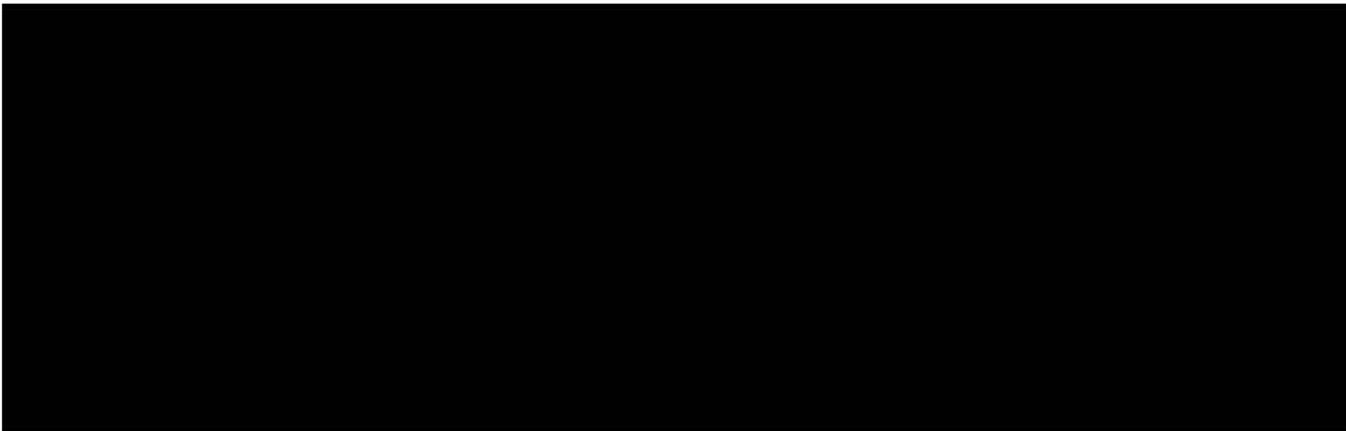
UNITED STATES POSTAL SERVICE

Signed by: Jacqueline Strako

Printed Name: Jacqueline Strako

Title: Chief Commerce & Business Solutions Officer and Executive Vice President

Date: 12/1/2021



ATTACHMENT B
SIGNED CERTIFICATION

**Certification of Prices for Amendment to
Parcel Select Contract 37**

I, Lisa H. Arcari, Director, Domestic Package Pricing, Finance Department, am familiar with the prices and terms for the amendment to Parcel Select Contract 37. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 19-1).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Lisa Arcari

Digitally signed by
Lisa Arcari
Date: 2021.12.09
11:35:37 -05'00'

Lisa H. Arcari